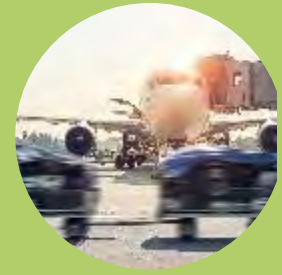




SUSTAINABLE & SMART MOBILITY STRATEGY

Updates on FuelEU Maritime

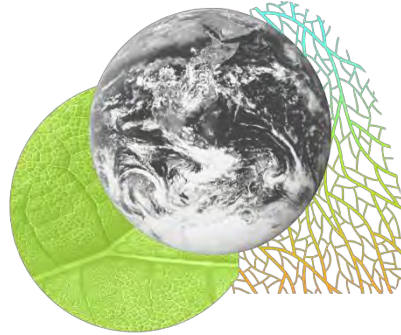


ISCC Global Sustainability Conference Brussels, 15 February 2023

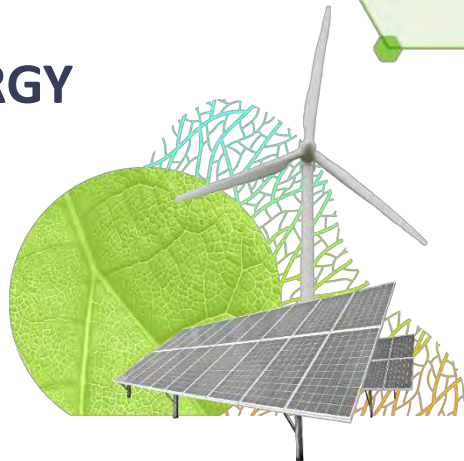
Ricardo Batista, DG-MOVE



CLIMATE



ENERGY

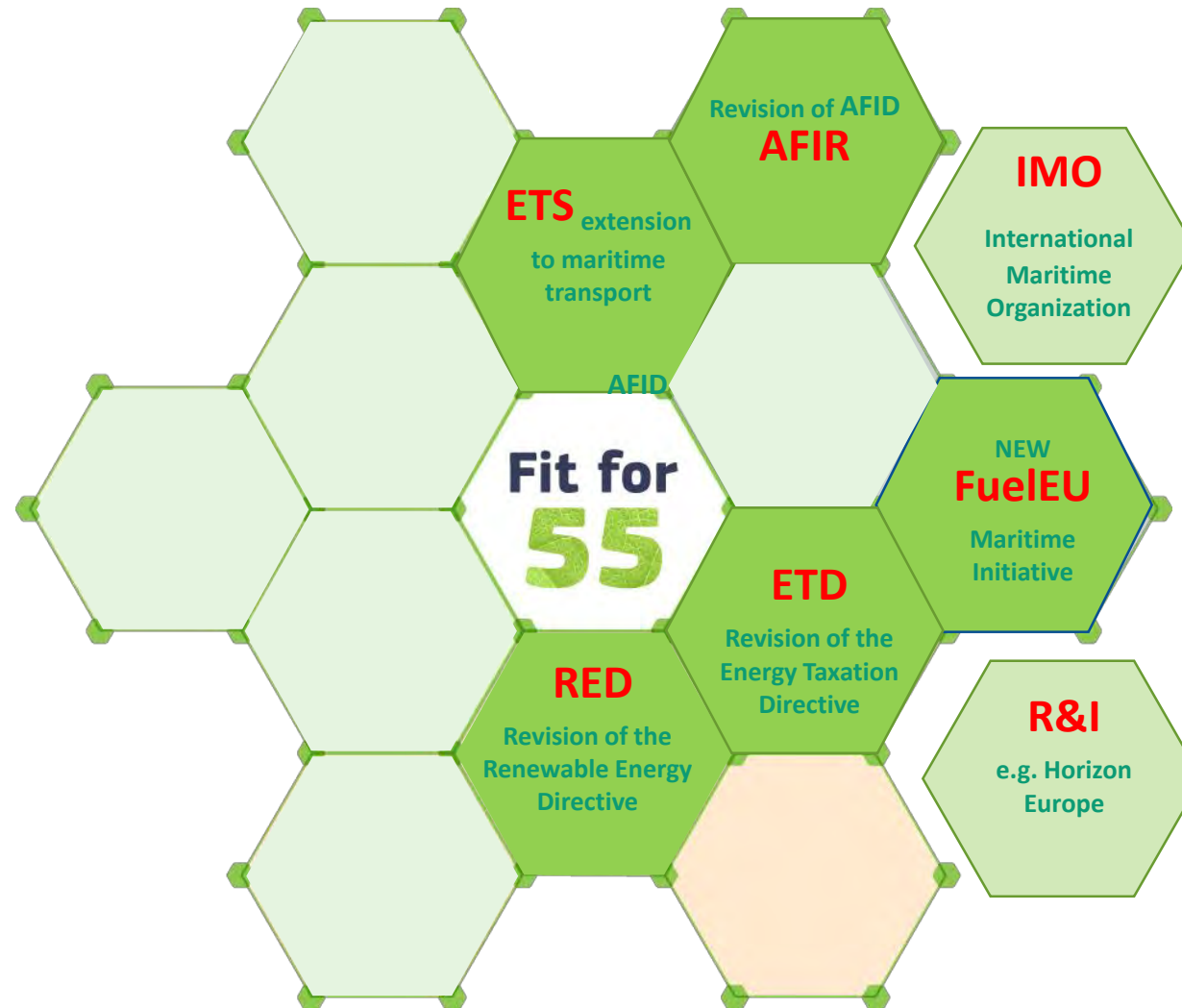


TRANSPORT



TAXATION AND TRADE





MARITIME

- Presentation focused on the different negotiation aspects on FuelEU
- Negotiations started with CZ Pcy ongoing under SE Pcy
- **Public info presented**



MARITIME

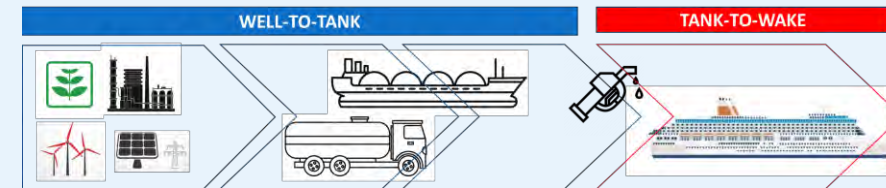
FuelEU in a “nutshell”

- Focus on **fuel** and on **demand** – **promotion of uptake of renewable and low-carbon fuels** for maritime transport – complement to Energy Efficiency
- **Technology-neutral approach**: maritime operators will need to use an increasing proportion of zero and low carbon sustainable fuels, without obligation to use a specific technology
- **Establishes** limits on the yearly average GHG intensity of the energy used on-board (**CO₂eq/MJ**)

2025	2030	2035	2040	2045	2050
-2%	-6%	-13%	-26%	-59%	-75%

- **Scope**: ships above 5000 GT, intra-EU traffic + 50% international, EU ports (same as for ETS)
- **Additional requirement for Zero-Emission at berth** (OPS and alternative zero-emission technologies) - compulsory as of 2030 for container and passenger vessels (some exemptions up to 2035)

- Inclusion of CO₂, methane and nitrous oxide on a full Well-to-Wake calculation: allows fair comparison of fuels

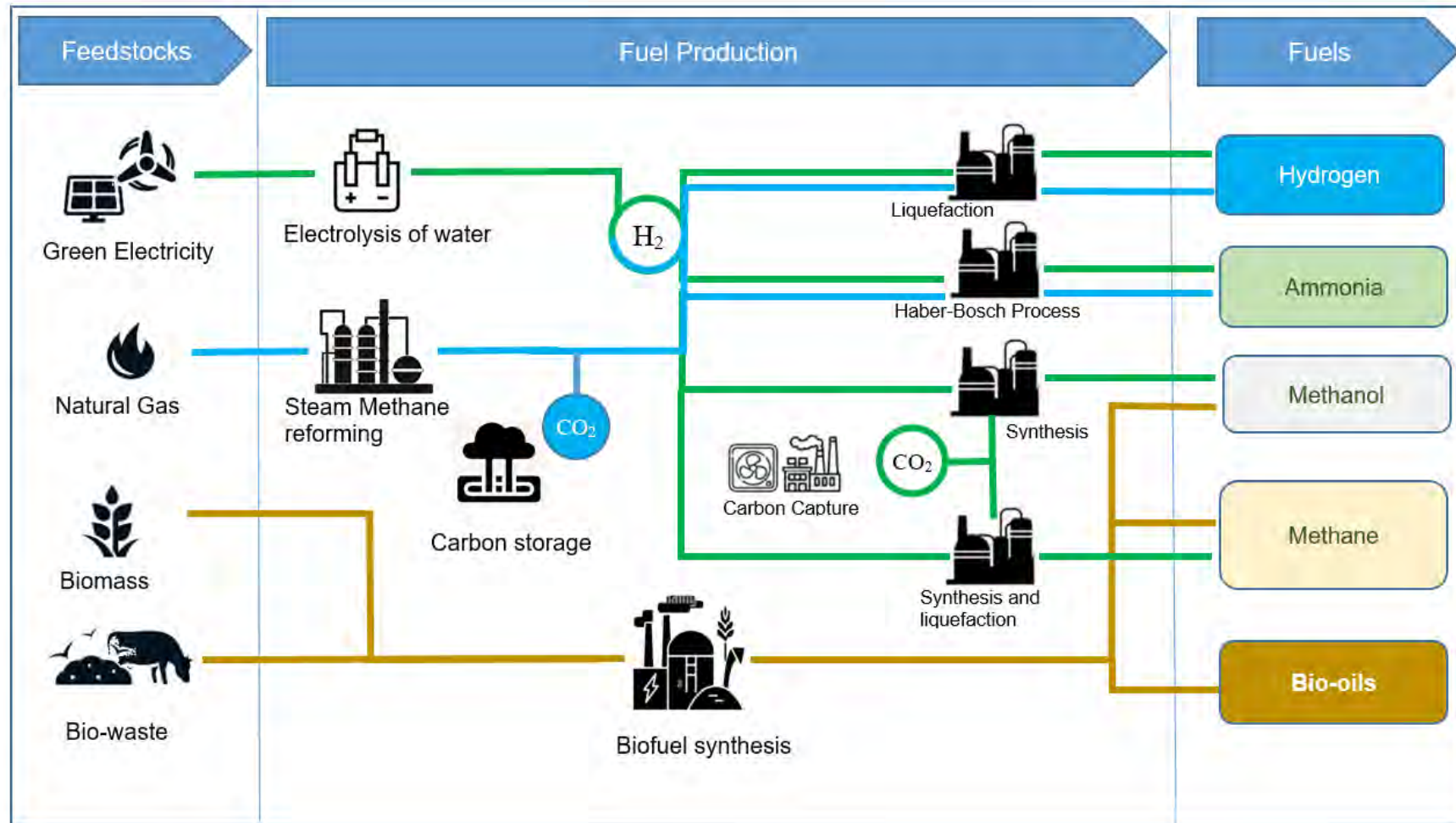


$$GHGe [gCO_{2eq}] = (WtT (fuel, electricity) + TtW (combustion, slip))$$

- **Flexibility mechanism** via banking and borrowing: surpluses and (small) deficits can be carried over to the next year
- Voluntary and open **pooling mechanism** to reward/incentivise overachievers and encourage the rapid deployment of the most advanced options
- **Non-compliance** – deterrent financial penalty
- Monitoring and Reporting is based on **MRV approach**, with some additional data (e.g. calculation of Compliance Balance)

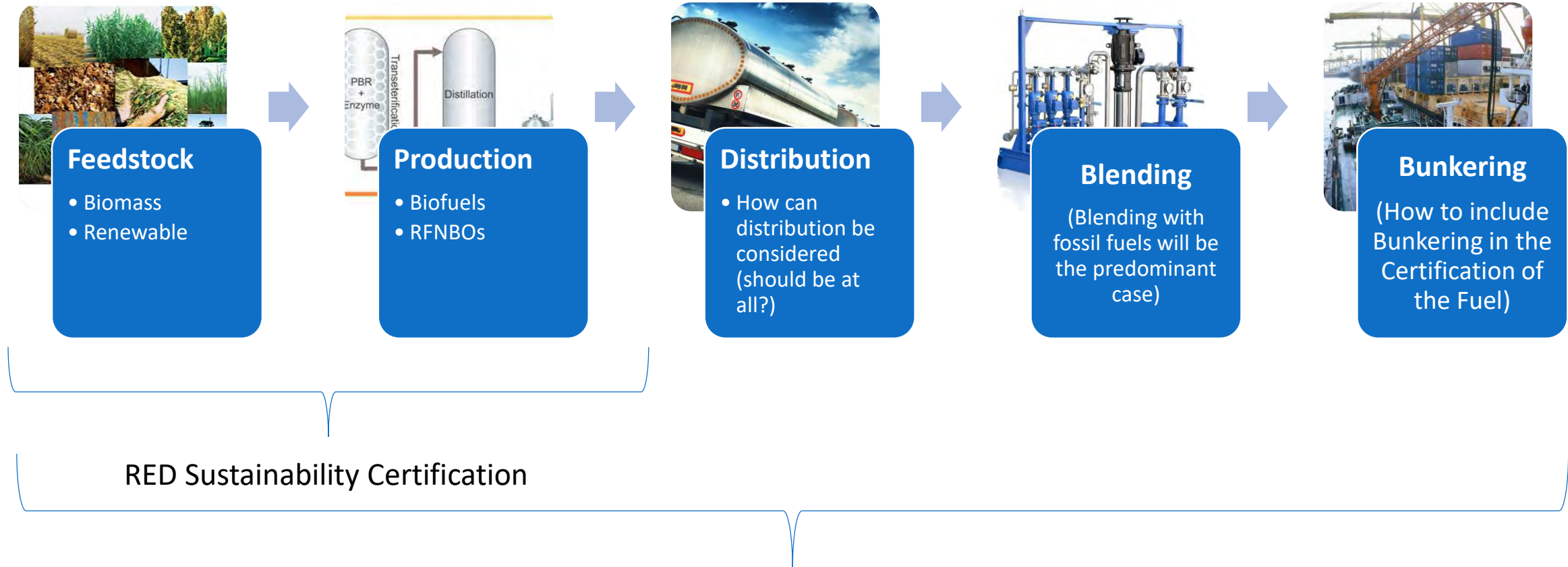
Technology Neutral Approach

Why we need it?



Perspective/Looking ahead on Fuel Certification for Shipping

Several Challenges to address





Council GA 2nd June 2022



EP amendments as adopted in Plenary on 19th October 2022

- Negotiations ongoing with co-legislators – 1st Trilogue 27 October 2022
- Work under CZ Presidency allowed significant advances in the limited time available.
- Under SE Presidency - Technical meetings have already started (weekly meetings) with Political Trilogues scheduled with a view to conclude work in March 2022.
- 3rd Trilogue tomorrow (16FEB)

Ongoing Negotiations - Key Selected Topics under discussion

<p>Scope</p>	<ul style="list-style-type: none"> • Geographical • Ship Size • Possible future review (Article 28) 	<p>Charterers/ Operators</p>	<ul style="list-style-type: none"> • Passing of “remedial penalty” obligations to Operators, through mandatory clause to be included in Chartering Party agreements
<p>Exemptions</p>	<ul style="list-style-type: none"> • Small PSOs/PSC; OR connectivity • Ice Class/ Navigation in Ice • Transshipment ports 	<p>Governance</p>	<ul style="list-style-type: none"> • FuelEU compliance data base • Additional Checks by MS • Role of Administering State
<p>GHG Targets</p>	<ul style="list-style-type: none"> • GHG targets for 2035/40/45/50 under discussion • EP higher ambition targets 	<p>Fuel Certification</p>	<ul style="list-style-type: none"> • Possibility to certify actual “upstream”/TtW emission factors for “other fuels” (fossil fuels)
<p>RFNBOs</p>	<ul style="list-style-type: none"> • Multiplier to reward use of RFNBOs • Sub-target (EP) of 2% from 2030 	<p>Flexibility Mech.</p>	<ul style="list-style-type: none"> • Validity of compliance surplus • Pooling of RFNBO “quota”
<p>Article 5</p>	<ul style="list-style-type: none"> • Zero Emission Tech/ Annex-III • Exemptions • AFIR/non-AFIR ports 	<p>Remedial Penalties</p>	<ul style="list-style-type: none"> • New penalty in case of “RFNBO” non-compliance • Reformulation of Article 20
<p>Fuel Suppliers</p>	<ul style="list-style-type: none"> • Passing of “remedial penalty” to FS upon failure to comply with contract supply obligations 	<p>Review Clause</p>	<ul style="list-style-type: none"> • Substantial additions

Implementation

2023

- **Negotiation** still ongoing (process expected to conclude in Spring 2023)
- **Technical elements for implementation** – started work at Expert Group ESSF Sustainable Power for Ships
 1. **Zero Emission Technologies**
 2. **GHG Marine Fuel Certification**
 3. **Engine (slippage) certification**
 4. **FuelEU Monitoring/ Reporting/ Verification instruments**
- RLCF Alliance – Round Table on Maritime Transport - [Renewable and Low-Carbon Fuels Value Chain Industrial Alliance \(europa.eu\)](#)

2024

- Implementing and Delegated Acts Adopted (**Secondary legislation**)
 - Zero Emission Tech
 - OPS
 - Monitoring, Reporting, Verification, Accreditation
 - Others
- **FuelEU database** development and launch (European Maritime Safety Agency – EMSA)

2025

- January 2025 – Entry into Force of the Regulation



Thank You!

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European
Commission

Mobility and Transport